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COMMISSION

June 22, 2012

Mr. Jeff Derouen, Executive Director Kentucky Public Service Commission 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602-0615

RE: Alternative Rate Filing Adjustment

Case Number #2011-00364

Dear Mr. Derouen:

Per instruction of Kentucky Public Service Commission (PSC) personnel, we are acknowledging that Bluegrass Gas Sales of Kentucky accepts the PSC Staff Report with the recommendations for our Alternative Rate Filing Adjustment that is referenced above.

Bluegrass Gas Sales of Kentucky also acknowledges that we will be forwarding a signed affidavit stating that the pay increases have been implemented within 90 days of the issuance of the Order.

Please let us know if we need to provide any additional information to complete this process. We appreciate the support we have received from the PSC and look forward to providing our customers with improved service going forward due to the adjustments that have been agreed upon in the report.

Sincerely,

Mark H. O'Brien

Enclosure

P. O. Box 23539 Anchorage, Kentucky 40223